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RUEHJB/AMEMBASSY BUJUMBURA 2732
RUEHKM/AMEMBASSY KAMPALA 3247
RUEHLGB/AMEMBASSY KIGALI 1176
RUEHNR/AMEMBASSY NAIROBI 1067
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHLMC/MCC WASHINGTON DC
RUEHDS/USMISSION USAU ADDIS ABABA

C O N F I D E N T I A L DAR ES SALAAM 000809

SIPDIS

AF/E FOR JLIDDLE; INR FOR FEHRENREICH; TREASURY OTA FOR D
VAN KOCH; STATE PASS USAID EAST AFRICA OFFICE

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TAGS: [PGOV](#) [KDEM](#) [EFIN](#) [ECON](#) [TZ](#)

SUBJECT: ANTI-CORRUPTION SHOCK AND AWE: EX-MINISTERS
INDICTED AND JAILED

REF: A. A. DAR ES SALAAM 493

[B. B. DAR ES SALAAM 778](#)

Classified By: Pol/Econ chief Carl B. Fox for reasons 1.4 (b) and (d)

[¶1.](#) (C) Summary. Two former cabinet ministers, one of whom is a sitting MP, were brought to court November 25 to face charges in the second of a series of grand corruption cases. The arrest of the two ministers was an encouraging surprise for the public and the donor community, both of which had been largely skeptical of President Kikwete's determination to pursue senior political figures for public corruption. End Summary.

[¶2.](#) (U) Basil Mramba and Daniel Yona face charges of abuse of authority and occasioning loss to the government of over Tsh 11 billion (approx. USD 9 million). The case concerns their actions in approving the procurement of a British company, Alex Stewart Assayers (ASA), for gold production assays. The alleged abuses took place from 2002 to 2005, although ASA reportedly continued to receive payments through 2007. Mramba and Yona have been held in prison since their arrests because of their inability to meet the steep bail terms.

[¶3.](#) (U) The indicted are stalwarts of the ruling CCM party, having held elected office since the 1980s. Mramba was Minister of Industry and Trade from 1995 to 2000, then served as Minister of Finance from 2000 to 2005. In the Kikwete administration, he was initially Minister of Infrastructure, then returned to run the Trade ministry until President Kikwete reshuffled the cabinet in February 2008. He remains an elected Member of Parliament. Yona was Minister of Finance from 1996 to 2000 and Minister of Energy and Minerals from 2002 to 2006.

[¶4.](#) (C) No other indictments have been announced in the ASA case. Per ref a, the indictment list Prevention and Combating Corruption Bureau Director Edward Hoseah showed us in July included Gray Mgonja, Permanent Secretary in the Ministry of Finance. Mgonja's retirement from government service, ostensibly for reaching compulsory retirement age, was announced November 29. On December 1, Tanzanian press ran reports of a pending indictment against Mgonja.

[¶5.](#) (SBU) The arrests occurred during the General Budget Support (GBS) Annual Review, which brings together the GOT and all GBS donors, and a day before the scheduled review of progress on corruption. PCCB Director Hoseah, presenting the GOT's achievements, pointed out that several additional cases are complete and pending approval by the Director of Public

Prosecutions. GBS donors praised the arrests and those in the EPA case (see ref b) as sending a strong warning to those who would consider engaging in corrupt activity. The indictments allowed the donors to rate GOT progress as "satisfactory" in fighting corruption, a determination that had been in doubt before November. It appears that all GBS donors now plan to make their full planned budget contributions.

¶6. (C) Hoseah subsequently told Poloff that he was confident the prosecutions - announced and forthcoming - would be successful. He said PCCB had been careful to develop strong cases, since the targets were of such high profile. He also said the Buzwagi Gold Mine case would be dismissed for lack of evidence.

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